

FISCAL NOTE

HB 2768 - SB 3718

February 4, 2008

SUMMARY OF BILL: Authorizes a third pilot program project as part of the "Tennessee Tollway Act". Such project will be restricted to Shelby County and would consist of a major bridge project crossing the Tennessee River. The Department of Transportation would be authorized to enter into an agreement with a private operator to construct, improve or operate the project if such operator meets certain provisions.

ESTIMATED FISCAL IMPACT:

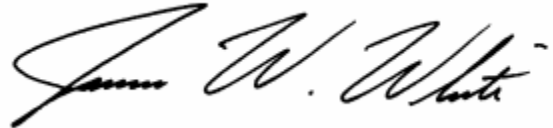
The cost to conduct the feasibility study for such a project would require expenditure of federal planning funds estimated to be between \$100,000 and \$400,000. These funds would be shifted from other planning projects that would be undertaken in the absence of this legislation.

Assumptions:

- The provisions of the bill will only require TDOT to conduct a feasibility study on such project.
- According to TDOT, the cost to complete the feasibility study and to report their findings to the General Assembly would be between \$100,000 and \$400,000. Such total cost is dependent upon the cost of public meetings, research of the best tolling practices, evaluation of recent toll projects in other states, and the extent of consulting work that would be required. This expenditure would come from planning funds received each year from the federal government.
- Given the project is approved for the construction phase, TDOT would likely issue bonds to finance the project. Any issuance of bonds would require approval from the General Assembly. Given the authority to issue bonds, state expenditures are expected to exceed state revenue (which would be generated from future tolls) by at least \$1.0 million per year for the first three years.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/cce